
By: **Delegates Klausmeier, Boutin, DeCarlo, Hubers, Minnick, Mohorovic,
Ports, and Redmer**

Introduced and read first time: February 8, 2001

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax Credit for Individuals Moving into the State to Fill Critical**
3 **Occupations**

4 FOR the purpose of allowing an individual who becomes a resident of the State and
5 commences employment in certain occupations designated as in short supply
6 and critical to Maryland's economic development strategy to claim a credit
7 against the State income tax in a certain amount, subject to certain limitations;
8 requiring the Secretary of the Maryland Higher Education Commission after
9 consultation with certain persons to designate occupations that are in short
10 supply and are critical to Maryland's economic development strategy; providing
11 for the application of this Act; and generally relating to an income tax credit for
12 individuals becoming residents of the State and commencing employment in
13 certain occupations designated as in short supply and critical to Maryland's
14 economic development strategy.

15 BY adding to
16 Article - Tax - General
17 Section 10-722
18 Annotated Code of Maryland
19 (1997 Replacement Volume and 2000 Supplement)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
21 MARYLAND, That the Laws of Maryland read as follows:

22 **Article - Tax - General**

23 10-722.

24 (A) AN INDIVIDUAL WHO BECOMES A RESIDENT OF THE STATE DURING THE
25 TAXABLE YEAR AND COMMENCES EMPLOYMENT IN THE STATE DURING THE
26 TAXABLE YEAR IN AN OCCUPATION THAT IS IN SHORT SUPPLY AND CRITICAL TO
27 MARYLAND'S ECONOMIC DEVELOPMENT STRATEGY, AS DESIGNATED BY THE
28 MARYLAND HIGHER EDUCATION COMMISSION UNDER THIS SECTION, MAY CLAIM A
29 CREDIT AGAINST THE INCOME TAX IN THE AMOUNT OF \$1,000.

1 (B) (1) THE CREDIT ALLOWED UNDER THIS SECTION MAY NOT EXCEED THE
2 STATE INCOME TAX IMPOSED FOR THE TAXABLE YEAR, DETERMINED BEFORE THE
3 APPLICATION OF THE CREDITS UNDER THIS SECTION AND §§ 10-701 AND 10-701.1 OF
4 THIS SUBTITLE BUT AFTER THE APPLICATION OF ANY OTHER CREDIT UNDER THIS
5 SUBTITLE.

6 (2) THE UNUSED AMOUNT OF THE CREDITS UNDER THIS SECTION FOR
7 ANY TAXABLE YEAR MAY NOT BE CARRIED OVER TO ANY OTHER TAXABLE YEAR.

8 (C) (1) AFTER CONSULTATION WITH THE SECRETARY OF BUSINESS AND
9 ECONOMIC DEVELOPMENT, THE SECRETARY OF LABOR, LICENSING, AND
10 REGULATION, AND THE APPROPRIATE ADVISORY BOARDS, THE SECRETARY OF THE
11 MARYLAND HIGHER EDUCATION COMMISSION, EVALUATING SUCH FACTORS AS
12 MARYLAND'S ECONOMIC DEVELOPMENT STRATEGY AND THE NEEDS OF MARYLAND'S
13 BUSINESS COMMUNITY SHALL IDENTIFY AND DESIGNATE THE OCCUPATIONS THAT
14 ARE IN SHORT SUPPLY AND ARE CRITICAL TO MARYLAND'S ECONOMIC
15 DEVELOPMENT STRATEGY.

16 (2) (I) ON OR BEFORE NOVEMBER 1 OF EACH YEAR, THE SECRETARY
17 OF THE MARYLAND HIGHER EDUCATION COMMISSION SHALL SUBMIT THE
18 PROPOSED DESIGNATION UNDER PARAGRAPH (1) OF THIS SUBSECTION OF THE
19 OCCUPATIONS THAT ARE IN SHORT SUPPLY AND ARE CRITICAL TO MARYLAND'S
20 ECONOMIC DEVELOPMENT STRATEGY AND ANY PROPOSED MODIFICATIONS OF THAT
21 DESIGNATION TO THE JOINT COMMITTEE ON ADMINISTRATIVE, EXECUTIVE, AND
22 LEGISLATIVE REVIEW FOR REVIEW AND COMMENT.

23 (II) THE PROPOSED DESIGNATION OF OCCUPATIONS THAT ARE IN
24 SHORT SUPPLY AND ARE CRITICAL TO MARYLAND'S ECONOMIC DEVELOPMENT
25 STRATEGY AND ANY PROPOSED MODIFICATION OF THAT DESIGNATION MAY NOT
26 TAKE EFFECT UNTIL AT LEAST 45 DAYS AFTER SUBMISSION OF THE PROPOSED
27 ACTION TO THE JOINT COMMITTEE ON ADMINISTRATIVE, EXECUTIVE, AND
28 LEGISLATIVE REVIEW.

29 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
30 July 1, 2001, and shall be applicable to all taxable years beginning after December 31,
31 2000.